

**Assembly Joint Resolution**

**No. 63**

**Introduced by Assembly Member Sharon Runner**

**(Coauthors: Assembly Members Beall, Carter, Cook, DeVore, Lieu, Salas, Saldana, and Wolk)**

**(Coauthors: Senators Correa, Denham, Negrete McLeod, Wiggins, and Wyland)**

May 23, 2008

Assembly Joint Resolution No. 63—Relative to qualified veterans' mortgage bonds.

LEGISLATIVE COUNSEL'S DIGEST

AJR 63, as introduced, Sharon Runner. Qualified veterans' mortgage bonds.

This measure would memorialize the President and Congress of the United States to enact legislation that would revise provisions of the Internal Revenue Code to authorize increased issuance of qualified veterans' mortgage bonds by specified states to fund home purchase and home improvement loans to specified veterans.

Fiscal committee: no.

- 1 WHEREAS, In addition to the benefits provided by the United
- 2 States Department of Veterans Affairs, individual states have long
- 3 been leaders in recognizing and rewarding the tremendous sacrifice
- 4 of our nation's veterans; and
- 5 WHEREAS, Home ownership is viewed by many as a cherished
- 6 component of the American dream; and

1 WHEREAS, Enabling veterans to achieve home ownership at  
2 a lower cost is a small reward for their faithful service while in  
3 the United States Armed Forces; and

4 WHEREAS, In appreciation of this service on behalf of our  
5 state and nation, the States of Alaska, California, Oregon, Texas,  
6 and Wisconsin have offered low-interest rates on home loan  
7 mortgages to qualified veterans for many decades; and

8 WHEREAS, This program has assisted more than a million  
9 veterans in obtaining affordable housing and in making a better  
10 life for themselves and their dependents; and

11 WHEREAS, These five states utilize tax-exempt bonds known  
12 as qualified veterans' mortgage bonds (QVMBs) to fund almost  
13 all of the home purchase and home improvement loans made to  
14 veterans; and

15 WHEREAS, Current federal law governing the tax-exempt  
16 bonds used to fund these loans, as set forth in Section 143(l)(4) of  
17 the Internal Revenue Code, unfairly limits the QVMB programs  
18 in California and Texas to only those veterans who served prior  
19 to January 1, 1977; and

20 WHEREAS, This restriction unfairly prevents all veterans in  
21 California and Texas serving on active duty on and after January  
22 1, 1977, from using QVMBs, including the men and women who  
23 served in Operations Desert Shield and Desert Storm and in the  
24 Global War on Terror following September 11, 2001, in Operation  
25 Enduring Freedom and Operation Iraqi Freedom; and

26 WHEREAS, The United States of America is once again at war  
27 and, unless action is taken by Congress, the veterans of this war  
28 will come home to diminished benefits; and

29 WHEREAS, Since 1922, California has operated, at no expense  
30 to its General Fund, the Cal-Vet Home Loan Program, a QVMB  
31 program that has helped over 419,000 California wartime veterans  
32 become homeowners; and

33 WHEREAS, The current federal statute devalues the military  
34 service of men and women who have voluntarily worn the military  
35 uniform of the United States Armed Forces since 1977 by denying  
36 them access to a benefit that has been available to their comrades  
37 in arms from other eras for more than 85 years; and

38 WHEREAS, By limiting the QVMB programs to pre-1977  
39 veterans, California and Texas are faced with the problem that the  
40 number of veterans eligible for the programs was substantially

1 reduced by 2007 since, by that time, most wartime veterans would  
2 have either been out of active military duty for more than 30 years  
3 or would have entered active duty after December 31, 1976; and

4 WHEREAS, These courageous men and women, many serving  
5 in harm's way even today, deserve the same benefits offered to  
6 their earlier comrades in arms, yet the states, in which they and  
7 their families reside, may not provide them the opportunity to use  
8 QVMBs; now, therefore, be it

9 *Resolved by the Assembly and the Senate of the State of*  
10 *California, jointly,* That the Legislature of the State of California  
11 memorializes the President and the Congress of the United States  
12 to support legislative action to immediately remove the  
13 discriminatory portion of Section 143(l)(4) of the Internal Revenue  
14 Code so that today's veterans and their families might enjoy the  
15 same benefits as their earlier counterparts; and be it further

16 *Resolved,* That the Chief Clerk of the Assembly transmit copies  
17 of this resolution to the President and Vice President of the United  
18 States, to the Speaker of the House of Representatives, to the  
19 Majority Leader of the Senate, to each Senator and Representative  
20 from California in the Congress of the United States, and to the  
21 Secretary of the Department of Veterans Affairs.